

MEETING MINUTES

Riley-Purgatory-Bluff Creek Watershed District

July 18, 2024, RPBCWD Board of Managers Work Session

PRESENT:

Managers: Jill Crafton, Treasurer
Tom Duevel, Secretary
Larry Koch*
Dorothy Pedersen, President
David Ziegler, Vice President

Staff: Liz Forbes*, Communication Manager
Terry Jeffery, District Administrator
Josh Maxwell, Water Resources & Fisheries Manager
Dylan Monahan, Administrative Assistant
Alaina Portoghese*, Communications Specialist

*Note: *Attended virtually.*

1. Call to Order

- 1 President Pedersen called the Board work session to order at 7:00 p.m.
- 2 President Pedersen stated that by declaration of the president this meeting is being held in person
- 3 in public and hybrid while the District recognizes a manager may, based on advice from a
- 4 healthcare professional, have a legitimate reason for not attending a meeting in a public place in
- 5 person, such as Covid-19 exposure or infection, and in such circumstances may participate in the
- 6 meeting remotely.
- 7 Terry Jeffery called attendance for the Board of Managers as follows:

<i>Manager</i>	<i>Action</i>
Crafton	Present
Duevel	Present
Koch	Present
Pedersen	Present
Ziegler	Present

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2. Approval of Agenda

10 Manager Crafton moved to approve the agenda as submitted. Manager Duevel seconded the
 11 motion.

12 Manager Koch asked when the two items that showed up on the website were posted.
 13 Administrator Jeffery said this afternoon.

14 Upon a roll call vote, the motion carried 5-0 as follows:

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<i>Manager</i>	<i>Action</i>
Crafton	Yes
Duevel	Yes
Koch	Yes
Pedersen	Yes
Ziegler	Yes

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3. Review 2025 Proposed Budget and Levy

17 **a. Presentation and Simple Budget Outline**

18 Administrator Jeffery stated the Board will hold a public hearing on the draft budget
 19 and levy at the Board’s September meeting. He shared a slide presentation,
 20 “RPBCWD 2025 Budget and Levy.”

21 Administrator Jeffery noted the draft proposed budget was based on some
 22 assumptions for 2025, such as the District will start working on its next generation
 23 Watershed Management Plan, will complete the Duck Lake Bridge partnership with
 24 Eden Prairie, will maintain current staffing level with salary adjustments, and will
 25 keep the levy as low as possible, among other assumptions he described.

26 Administrator Jeffery summarized the proposed draft District 2025 budget and levy
 27 including a 2025 total levy of \$4,249,905, other revenues including permits, grant
 28 income, investment income, and reimbursements for a total 2025 revenue of
 29 \$4,679,405, cash on hand of \$4,013,812 at the beginning of 2025, 2025 expenditures
 30 of \$6,394,750, and a reserve balance at the end of 2025 in the amount of \$2,298,467.
 31 He highlighted the draft budget assumes the District does not receive additional grant
 32 dollars. He said the District has applied for grants, and if the District is awarded grant
 33 dollars, the funds will be additional revenue.

34 Administrator Jeffery said the budget and levy as proposed is a 5% levy increase over
 35 2024.

36 Administrator Jeffery commented on the Opportunity Projects budget line. He said
37 the opportunity projects are not really doing what they were intended to do and the
38 District's reserves could serve that purpose. Administrator Jeffery recommended the
39 Board consider moving the budget for Opportunity Projects into the reserves.

40 Manager Koch commented it seems to him if the District wants to clean up Lotus
41 Lake, the District needs to pay attention to all the inputs to Lotus Lake. Administrator
42 Jeffery said the Lotus Lake Watershed Improvement Project is looking at all the
43 inputs to the lake on the west side as well as the ravine behind Bighorn Drive.

44 Manager Koch asked for clarification about whether the Bluff Creek and Upper Riley
45 projects would be fully funded after the 2025 levy. Administrator Jeffery said the
46 Upper Riley Project will be and the District will levy for the Upper Bluff Creek
47 project with the 2026 levy.

48 Manager Crafton commented the Board and staff have repeatedly noted instances in
49 which the District rules are inadequate to deal with some of the things the Board
50 discusses. She suggested the Board do a retreat to discuss the concerns and District
51 priorities and to build consensus for District goals. Administrator Jeffery supported
52 the suggestion and noted it could be part of the strategic planning slated for 2025.

53 Manager Ziegler commented the proposed 2025 budget seems to have a much leaner
54 reserve fund compared to the recent ten years. Administrator Jeffery said yes.
55 Manager Crafton said the reserves have been high because the projects from prior
56 levies and that have not been done contributed to the reserves.

57 Administrator Jeffery said a point for the Board to consider is if there are priorities
58 the Board wants to push off in order to maintain a higher reserve balance and if the
59 Board wants a 5% levy increase. Administrator Jeffery said there are some projects
60 the District could push out a year or so.

61 Manager Ziegler suggested looking at the impacts of raising the levy to a 5.5%
62 increase over 2024. He said in the past, the District had in its reserves enough to
63 cover about a year's worth of projects.

64 Manager Koch said his understanding of the District's practice in the past is the
65 District would have enough cash on hand to cover the anticipated expenses of the
66 following year up to the time the District received the first payments from the
67 counties on the real estate tax assessments. He commented he thinks 5% is a good
68 number. He said in order to be good stewards of the money, the District needs to
69 watch it and sometimes it will take the District longer to do some projects. Manager
70 Koch said he thinks Administrator Jeffery has done a good job of laying out a plan.
71 Manager Koch said the District could have had \$500,000 more in its reserves if it had
72 not moved ahead to purchase that piece of property, which has no water features. He
73 said that money could have gone toward other projects. Manager Koch said if the
74 Board wants to cut something out of its budget, it could cut out purchasing that
75 property.

76 Manager Ziegler said the proposed draft budget cuts the reserves by \$2,000,000 and
77 the property was only \$500,000. He said it seems the District is putting itself in a
78 hole.

79 Manager Ziegler said comparing what the District projected over the last 10 years
80 compared to what it is projecting now is a huge difference.

81 Manager Koch suggested Administrator Jeffery or the accountant put the numbers
82 together to show the year-over-year levy and budget in the reserve funds over the
83 past years. He said the managers can make decisions based on those facts and on
84 where the Board wants the District to be.

85 President Pedersen said her recollection is the \$4 million reserve amount has been
86 exaggerated because of projects levied and not done. She said the District has been
87 carrying forward a large amount for projects the District planned to do but did not do.

88 Manager Ziegler said he would like to see the numbers for what the District projected
89 at the beginning of each year and the numbers at the end of the year.

90 Manager Crafton said she thinks the Audit and Finance Committee should talk about
91 some of the issues that have been raised tonight like what should be on the balance
92 sheet and how to reflect things that have been discussed tonight.

93 President Pedersen suggested Administrator Jeffery add this topic to the August
94 Board meeting with the additional information as discussed regarding the comparison
95 of project numbers versus actuals. The managers consented to this as direction to
96 Administrator Jeffery.

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4. Discuss Proposed Resolutions for MN Watersheds 2025 Legislative Platform

98 Administrator Jeffery said as small town newspapers close, it is difficult to post the District's
99 public notices. He said the RPBCWD needs to address this as an organization. Manager
100 Ziegler said one way to address it is to evaluate the law and get clarification of the definition
101 of "posted." He said for example perhaps posting in a printed publication is not required if
102 posting the public notice on the District's website fits the definition and meets statute.

103 President Pedersen suggested the District could put forward a resolution to address this
104 problem.

105 Administrator Jeffery said he can work with Attorney Smith to draft a resolution to bring to
106 the Board.

5. Adjournment

107 President Pedersen noted this is Manager Koch's last meeting in his term as a Board manager
108 and wished him good health and happiness. Manager Koch said this may not be his last
109 meeting. He said it is not over until it is over and it is not over until the fat person sings. He
110 said he has enjoyed the opportunity to serve on the Board.

111 Manager Crafton moved to adjourn the work session. Manager Duevel seconded the motion.
112 Upon a roll call vote, the motion carried 5-0 as follows:

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<i>Manager</i>	<i>Action</i>
Crafton	Yes
Duevel	Yes
Koch	Yes
Pedersen	Yes
Ziegler	Yes

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115 The work session adjourned at 8:13 p.m.

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Respectfully submitted,

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Tom Duevel, Secretary